



United States
Department of
Agriculture

Foreign
Agricultural
Service

FACT SHEET

March 2006

FOOD AID

The U.S. Department of Agriculture's Foreign Agricultural Service (FAS) helps provide U.S. agricultural commodities to assist millions of people in needy countries through direct donations and concessional programs. Food aid may be provided through four program authorities: Public Law 480 (P.L. 480), also known as Food for Peace; Food for Progress; Section 416(b); and the McGovern–Dole International Food for Education and Child Nutrition Program (FFE program).

P.L. 480 has three titles, and each title has a specific objective and provides assistance to countries at a particular level of economic development. Title I of P.L. 480 is administered by USDA, and Titles II and III are administered by the U.S. Agency for International Development (USAID).

P.L. 480, Title I–Trade and Development Assistance, provides for government-to-government sales of U.S. agricultural commodities to developing countries on credit or grant terms. Depending on the agreement, commodities provided under the program may be sold in the recipient country and the proceeds used to support agricultural, economic, or infrastructure development projects. Agreements under the Title I credit program may provide for repayment terms of up to 30 years with a grace period of up to 5 years. The authority also allows for grant programs, which have outnumbered loans in recent years.

Historically, the Title I program has been geared primarily toward countries with a shortage of foreign exchange and difficulty in meeting their food needs through commercial channels. Priority has been accorded to countries with the greatest need for food that were making efforts to improve food security and agricultural development, alleviate poverty, and promote broad-based, equitable, and sustainable development, and that also had the potential to become commercial markets for U.S. agricultural commodities.

For fiscal 2007, the Administration did not request additional funding for the Title I program. The Administration proposed to increase the amount of Title II emergency programming.

P.L. 480, Title II–Emergency and Private Assistance, provides for the donation of U.S. agricultural commodities to meet emergency and nonemergency food needs in other countries, including support for food security goals.

Agricultural commodities donated by the U.S. government to meet emergency needs may be provided under government-to-government agreements or through public and private agencies, including inter-governmental organizations, such as the United Nations World Food Program and other multilateral organizations. Nonemergency assistance may only be provided through private voluntary organizations, cooperatives, and intergovernmental organizations.

P.L. 480, Title III–Food for Development, provides for government-to-government grants to support long-term growth in the least developed countries. Donated commodities are sold in the recipient country, and the revenue generated is used to support economic development programs. In recent years, this title has been inactive.

The **Food for Progress** program, authorized by the Food for Progress Act of 1985, provides for the donation or credit sale of U.S. commodities to developing countries and emerging democracies to support democracy and an expansion of private enterprise. To date, all food aid under this program has been by donation.

Commodities may be provided under the authority of P.L. 480 or Section 416(b). USDA's Commodity Credit Corporation (CCC) may also purchase commodities for use in the program. Depending on the agreement, the commodities donated through Food for Progress may be sold in the recipient country, and the proceeds used to support agricultural, economic, or infrastructure development programs. Assistance is provided through foreign governments, private voluntary organizations, nonprofit organizations, cooperatives, and intergovernmental organizations.

The **Section 416(b)** program is authorized by the Agricultural Act of 1949, as amended. This program provides for overseas donations of surplus commodities acquired by the CCC. Donations may not reduce the amounts of commodities that are traditionally donated to U.S. domestic feeding programs or agencies, and may not disrupt normal commercial sales.

Availability of commodities under Section 416(b) depends on CCC inventories and acquisitions, and programming varies from year to year. The commodities are made available for donation through agreements with foreign governments, private voluntary organizations, cooperatives, and intergovernmental organizations. Depending on the agreement, the commodities donated under Section 416(b) may be sold in the recipient country and the proceeds used to support agricultural, economic, or infrastructure development programs. This program is currently inactive due to the unavailability of government-owned commodities.

The **FFE program** helps support education, child development, and food security for some of the world's poorest children. It provides for donations of U.S. agricultural products, as well as financial and technical assistance, for school feeding and maternal and child nutrition projects in low-income, food-deficit countries that are committed to universal education.

The commodities are made available for donation through agreements with private voluntary organizations, cooperatives, intergovernmental organizations, and foreign governments. Commodities may be donated for direct feeding or for local sale to generate proceeds to support school feeding and nutrition projects.

Program Administration

FAS has the lead responsibility for the USDA-administered food aid programs. USDA's Farm Service Agency is responsible for procuring and supplying commodities for all U.S. food aid donation programs. USDA agencies also coordinate shipments of food aid, assure commodity specifications are met, and provide quality control and cargo inspection services.

The interagency **Food Assistance Policy Council**, chaired by USDA's Under Secretary for Farm and Foreign Agricultural Services, coordinates U.S. food aid policies and programs. The council includes representatives from the Office of Management and Budget (OMB), USAID, the U.S. Department of State, and USDA. At the staff level, program planners in USAID and USDA meet regularly to review and coordinate plans.

The **Bill Emerson Humanitarian Trust** is another important resource to ensure that the U.S. government can respond to emergency food aid needs. The Emerson Trust is not a food aid program, but a food reserve administered under the authority of the Secretary of Agriculture. U.S. commodities from this reserve for P.L. 480 can be used to respond to humanitarian food crises in developing countries, particularly those that emerge unexpectedly. Up to 4 million metric tons of U.S. wheat, corn, sorghum, and rice can be kept in the reserve. The Secretary of Agriculture is authorized to release commodities from the Emerson Trust to provide food aid for emergency needs that cannot otherwise be met through P.L. 480.

Additional Information: For more information, contact: Programming Division, Export Credits, FAS/USDA, Stop 1034, 1400 Independence Ave. SW, Washington, DC 20250-1034; tel.: (202) 720-4221; fax: (202) 690-0251.

Information about USDA food aid efforts is also available on the FAS Web site:
<http://www.fas.usda.gov/food-aid.asp>

General information about FAS programs, resources, and services can be found at:
<http://www.fas.usda.gov>